

## **FY2008 Annual Program Performance Measures**

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**DEPARTMENT:** MICHIGAN DEPARTMENT OF LABOR AND ECONOMIC GROWTH

**APPROPRIATION UNIT:** BOARDS, AUTHORITIES, and COMMISSIONS

**Program:** MES- Board of Review

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**TIMELINE:** October 1, 2007 through September 30, 2008

### **PROGRAM MISSION STATEMENT**

The mission of the MES Board of Review is to provide a fair and expert mechanism to decide appeals of disputed unemployment compensation claims and tax questions; to protect Michigan workers and the Michigan economy from the hazards of unemployment; and to protect Michigan employers against unjustified unemployment claims.

### **PROGRAM STATEMENT**

The Michigan Employment Security Board of Review is the final administrative appellate step within the unemployment compensation system, and its primary mission is to process and decide appeals from decisions and orders issued by SOAHR referees in contested unemployment benefits cases. The Board also reviews referee decisions concerning unemployment tax liability issues. Since 1936, a coordinated state-federal unemployment compensation system has existed to protect the people of Michigan from the hazards of unemployment. The Social Security Act requires, as an integral part of each state's unemployment compensation system, that there be a fair and impartial mechanism for appealing denials of unemployment benefits. The Michigan Employment Security Act provides a two-tiered administrative appellate system. Contested matters are first considered by SOAHR referees. Their decisions and orders may then be appealed to the Board of Review. This system affords claimants, employers and the Agency an opportunity to have disputed issues resolved by persons who are expert in unemployment compensation matters without encountering the delay, expense and formality associated with the civil judicial system.

### **PROGRAM GOALS/MAJOR OBJECTIVES**

**Bureau Goal** - To correctly decide appeals in an expeditious manner consistent with the MES Act, established precedent and the requirements of due process.

#### **Bureau Objectives**

- a. To reduce appeal inventory and maintain a pending caseload level that represents normal work in progress.
- b. To continue to improve the Board of Review's time-lapse performance and achieve compliance with the federal desired levels of achievement.
- c. For many years, the standards were 50% of appeals decided within 45 days, 80% of appeals decided within 75 days and 95% of appeals decided within 150 days. Effective April 1, 2007, the above timeliness standard was changed by the U.S. Department of Labor and our new goal is to maintain an average age of pending appeals of 40 days.

### **CUSTOMER IDENTIFICATION**

Unemployed workers, employers, attorneys and other representatives, Unemployment Insurance Agency, SOAHR referees.

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FUND SOURCE

100% Federal Funding - USDOL - ETA UI

LEGAL BASIS

1936 PA1 (Michigan Employment Security Act) MCL 421.33-36

LINE ITEM PROGRAM: MES Board of Review

PROGRAM EFFECTIVENESS (FY08)

Outputs/Outcomes - See attached table and charts.

Performance Measures

The primary quantifiable measures of the Board of Review's performance are the number of appeals decided and the length of time it takes to decide each appeal. That time is directly related to the size of the inventory of pending appeals. Inventory is in turn related to the interaction between the number of new appeals, over which the Board has no control, and monthly dispositions. Timeliness of dispositions may be measured by average number of days from appeal to disposition, as well as by the percentage of cases decided within certain increments. As noted, the former federal "desired levels of achievement" for "higher authority" appellate bodies such as the Board of Review were 50% of appeals decided within 45 days, 80% decided within 75 days and 95% decided within 150 days.

Effective April 1, 2007 the federal "desired levels of achievement" were replaced by new federal performance measures: "Acceptable Levels of Performance" (ALP). Under the ALP applicable to the Board, the Board is expected to maintain a 40-day "average pending case age," measured at the end of each month. Much of the Board's efforts during FY08 were directed toward making the necessary adjustments to satisfy that standard.

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**Employment Security Board of Review  
Performance Measure Report FY 2007-2008  
Annual Report: 10-1-2007 – 9-30-2008**

Criteria	Prior Year Performance	1 <sup>st</sup> Qtr	2 <sup>nd</sup> Qtr	3 <sup>rd</sup> Qtr	4 <sup>th</sup> Qtr	YTD	Outcomes
New Appeals Received	7526	2031	1871	1521	1616	7039	*
Dispositions	6641	1798	2068	1724	1542	7132	7.4% increase
Pending Appeals	1536	1769	1572	1369	1443	1443	6.0% decrease
% Dispositions (45 days)	52%	51%	41%	37%	53%	46%	
% Dispositions (75 days)	75%	62%	47%	52%	74%	59%	
% Dispositions (150 days)	90%	90%	87%	89%	92%	90%	
Avg. days to Disposition	80	73	64	83	86	77	4.0% decrease

\* Notes regarding these performance criteria are found on the following pages.

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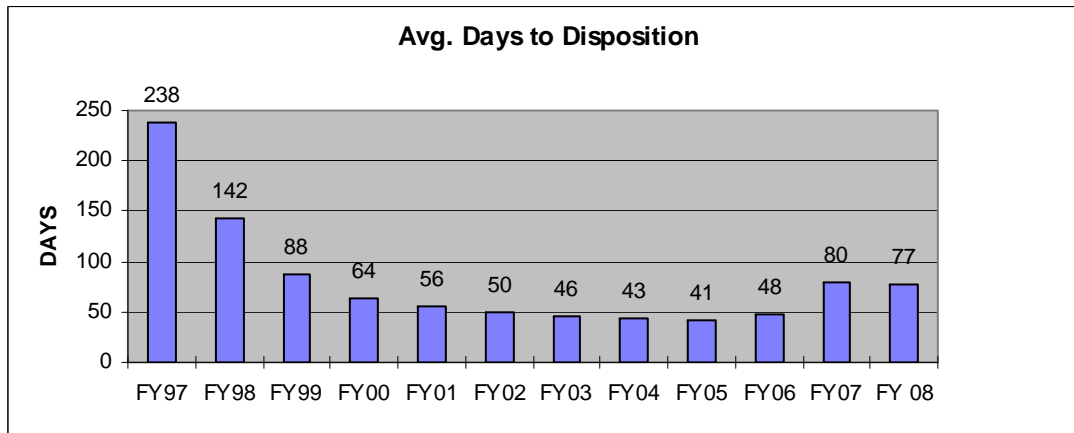
**Program:** MES- Board of Review

Goal: To correctly decide appeals in an expeditious manner consistent with the MES Act, established precedent, and the requirements of due process.

Objective: Decrease the average number of days between receipt of an appeal and its disposition.

Output: Average Days to Disposition.

Outcome: Although this criterion is not formally monitored, we continually strive to reduce the average days to disposition.



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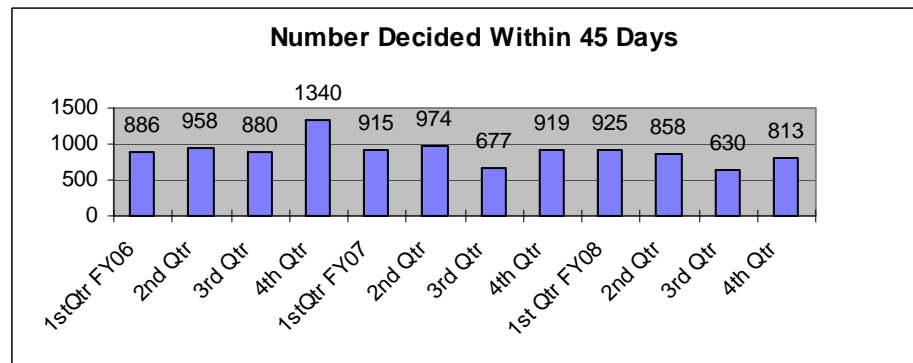
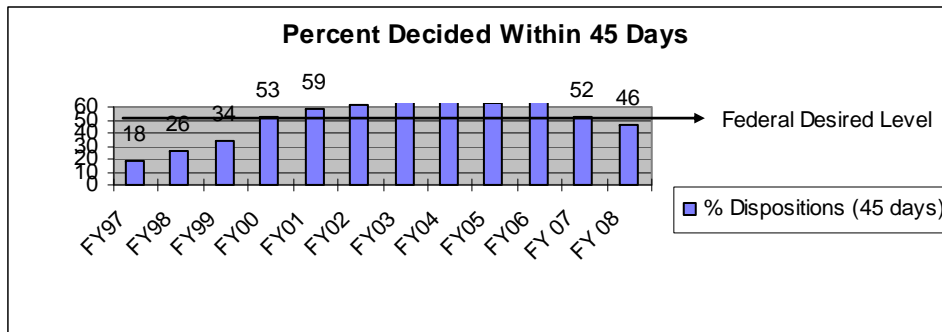
**Program:** MES- Board of Review

**Goal:** To correctly decide appeals in an expeditious manner consistent with the MES Act, established precedent and the requirements of due process.

**Objective:** Decide 50% of appeals within 45 days of receipt of appeal. (Former Federal desired level.)

**Output:** Percentage of decisions issued within 45 days.

**Outcome:** The Board exceeded the federal desired level on this criterion between 2000 and 2007. The new ALP, however, requires the Board to focus its efforts on reducing the average pending case age. In light of our recent staff enhancements, we anticipate that we will be equally successful once we adjust to the new standard.



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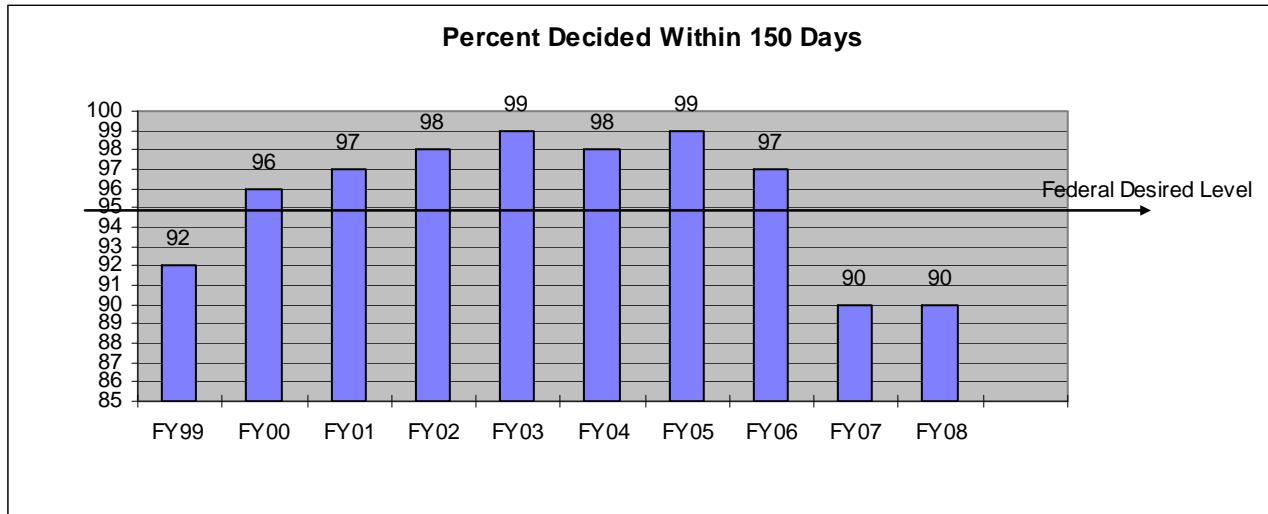
**Program:** MES- Board of Review

Goal: To correctly decide appeals in an expeditious manner consistent with the MES Act, established precedent, and the requirements of due process.

Objective: Decide 95% of appeals within 150 days of receipt of appeal. (Former Federal desired level)

Output: Percentage of decisions issued within 150 days.

Outcome: The Board exceeded the federal desired level on this criterion from 2000 through 2006. The new ALP, however, requires the Board to focus its efforts on reducing the average pending case age. In light of our recent staff enhancements, we anticipate that we will be equally successful once we adjust to the new standard.



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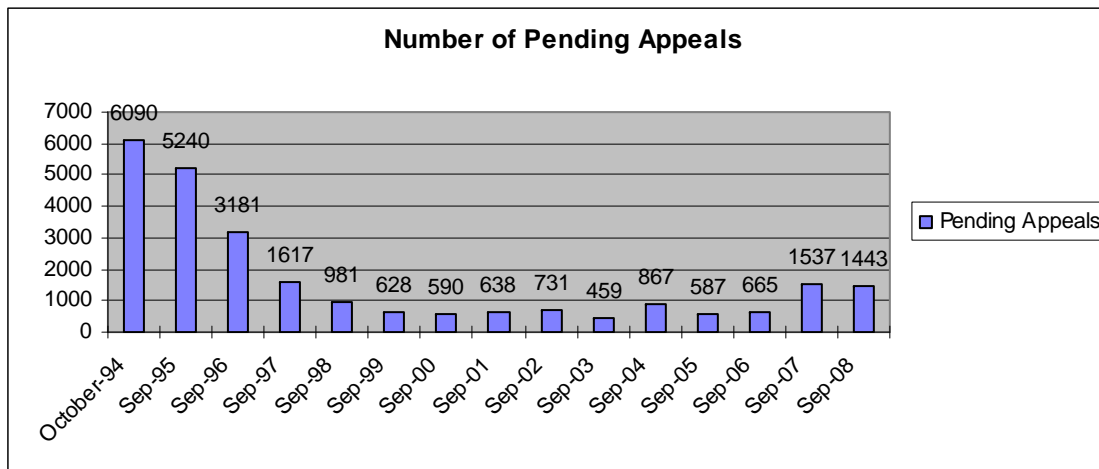
**Program:** MES- Board of Review

Goal: To correctly decide appeals in an expeditious manner consistent with the MES Act, established precedent, and the requirements of due process.

Objective: Reduce Board of Review backlog/inventory of pending appeals.

Output: Number of pending appeals.

Outcome: The Board of Review's backlog has declined steadily for most of the period since October 1994. Beginning in 2007, however, there has been substantial increase in pending appeals, reflecting the general economic downturn. To address this situation, the Board has hired two new staff attorneys, added other support staff, and modified internal policies and procedures to enhance and stimulate output.



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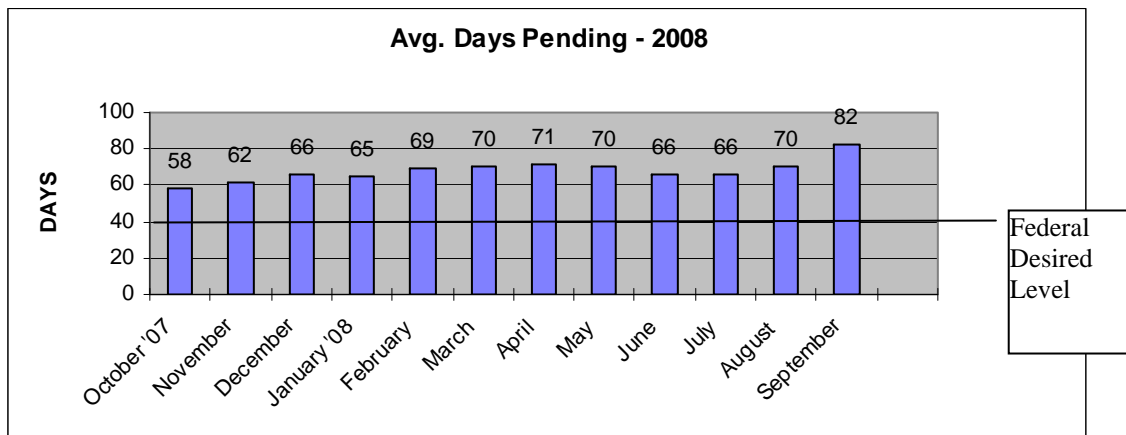
**Program:** MES- Board of Review

Goal: To achieve the Federal “Acceptable Levels of Performance” of a 40-day average pending case age at the end of each month.

Objective: Work on a FIFO System to dispose of the oldest pending cases to reduce our average pending case age.

Output: Average Pending case age calculated on the last day of the month.

Outcome: With two new staff attorneys, other staff enhanced, a new Board Chair, and revised policies and procedures, it is anticipated that the Board will make substantial progress toward satisfying the average age standard during FY2009.



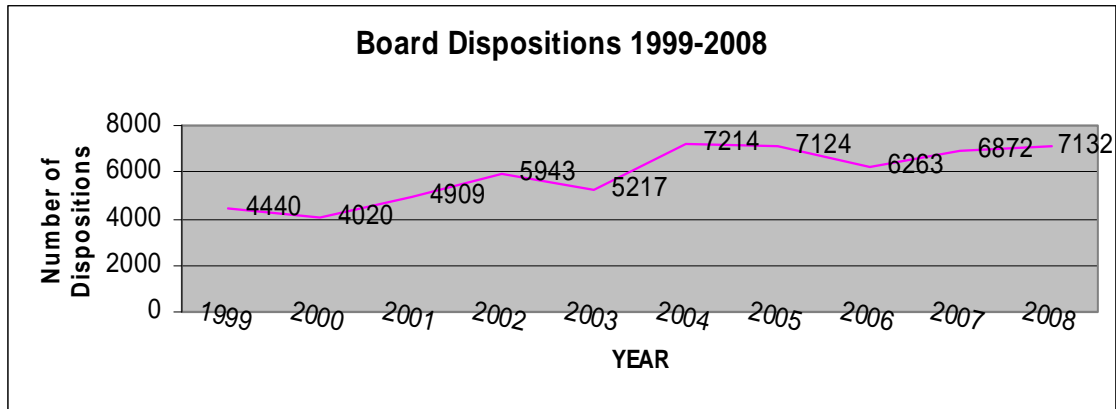


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2008\* - All calendar year figures except for 2008 which is for the fiscal year.